

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SEDALIA WATER DISTRICT)	
)	
_____)	CASE NO. 93-177
)	
ALLEGED VIOLATIONS OF COMMISSION)	
REGULATIONS 807 KAR 5:006 AND 807)	
KAR 5:066)	

O R D E R

After receiving an Utility Inspection Report prepared by Commission Staff which alleged that Sedalia Water District ("Sedalia") had failed to comply with Commission Regulations 807 KAR 5:006 and 807 KAR 5:066, the Commission ordered the utility to show cause why it should not be penalized for its alleged failures. Sedalia has responded to the Utility Inspection Report, stipulated the facts in this matter, and waived its right to any evidentiary hearing.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Sedalia is a water district formed pursuant to the provision of KRS Chapter 74.

2. Sedalia owns and operates facilities used for the distribution and furnishing of water to the public for compensation in Graves County, Kentucky.

3. Sedalia is a public utility subject to Commission jurisdiction. KRS 278.010(3)(d); KRS 278.015.

4. On July 27, 1992, Commission Staff conducted an inspection of Sedalia's records and facilities.

5. Commission Staff's report of the July 27, 1992 inspection accurately reflects the conditions observed during that inspection.

6. On November 29, 1993, Commission Staff reinspected Sedalia's records and facilities.

7. Commission Staff's report of the November 29, 1993 inspection accurately reflects the conditions observed during that inspection.

8. Commission Regulation 807 KAR 5:006, Section 3(2), requires a water utility to make periodic reports on forms prescribed by the Commission of meter tests, number of customers, and amount of refunds.

9. Commission Regulation 807 KAR 5:006, Section 6(1), requires, inter alia, that each periodic bill for utility service clearly show the present and last preceding meter readings.

10. Commission Regulation 807 KAR 5:006, Section 7(6), requires, inter alia, that interest accrue on all customer deposits at a rate prescribed by law, beginning on the date of deposit, and that such interest should be refunded or credited to customers on the anniversary of the deposit date.

11. Commission Regulation 807 KAR 5:006, Section 9, requires, inter alia, that a utility maintain a record of all written complaints concerning its service.

12. Commission Regulation 807 KAR 5:006, Section 13(1)(a), requires a utility to publish its telephone number in all service areas.

13. Commission Regulation 807 KAR 5:006, Section 16, requires a water utility furnishing metered service to provide meter test facilities. It further provides that, in lieu of such facilities, testing of meters may be performed by an agency approved by the Commission for that purpose. A utility having such tests performed by another agency shall notify the Commission of such arrangements.

14. Commission Regulation 807 KAR 5:006, Section 24(1), requires a utility to adopt a safety program which establishes a safety manual with written guidelines for safe working practices and procedures to be followed by utility employees.

15. Commission Regulation 807 KAR 5:006, Section 25(1), requires a utility to adopt inspection procedures to assure safe and adequate operation of its facilities and compliance with Commission rules and regulations.

16. Commission Regulation 807 KAR 5:066, Section 4(5), requires a water utility to maintain a complete record of all interruptions on its system.

17. Since January 1, 1989, Sedalia has not submitted the periodic reports which Commission Regulation 807 KAR 5:006, Section 3(2) requires.

18. Prior to July 1, 1993, Sedalia's billing forms failed to indicate the customer's present and last preceding meter readings.

19. Prior to June 1, 1993, Sedalia did not maintain a record of written complaints concerning its service.

20. Prior to December 31, 1993, Sedalia was not refunding or crediting interest accrued on customer deposits. Sedalia has begun to refund interest on customer deposits or to credit such interest to customer bills. Sedalia intends to refund or credit such interest on December 31 of each succeeding year.

21. Prior to December 1993, Sedalia did not publish its telephone number in any telephone directory within its service territory. On May 13, 1993, Sedalia requested a listing in West Kentucky Rural Telephone Cooperative Corporation's directory. Sedalia's telephone number was listed in directories which West Kentucky Rural Telephone Cooperative issued in December 1993. The directory covers Sedalia's entire service area.

22. Sedalia has retained G&C Waterworks, Inc., Post Office Drawer 459, Atwood, Tennessee to test its water meters. The Commission has certified G&C Waterworks, Inc. to perform such testing (Public Service Commission ID. No. 000065). Sedalia did not notify the Commission of its retention of G&C Waterworks, Inc., until June 6, 1993.

23. On June 6, 1993, Sedalia submitted a written copy of its inspection procedures to the Commission. Prior to this date, Sedalia had not adopted any inspection procedures.

24. On June 1, 1993, Sedalia began maintaining a record of service interruptions for its entire system. Prior to this date, Sedalia did not maintain a record of service interruptions for its system.

25. On June 6, 1993, Sedalia submitted to the Commission a safety manual with written guidelines for safe working practices and procedures. Prior to this date, Sedalia had not established such a safety manual for its operations.

26. Sedalia has committed the violations alleged in the Commission's Staff Utility Inspection Report of August 3, 1992. These violations are willful in nature.

27. For its willful violations of Commission regulations, Sedalia should be assessed a penalty \$100.

IT IS THEREFORE ORDERED that:

1. Sedalia is assessed a penalty of \$100 for its willful violations of Commission regulations.

2. Sedalia shall pay the assessed penalty within 20 days of the date of this Order. Payment shall be made by certified check or money order made payable to "Treasurer, Commonwealth of Kentucky," and shall be mailed or delivered to Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, P. O. Box 615, Frankfort, Kentucky 40602.

3. Effective the date of this Order, Sedalia shall credit or refund interest accrued on customer deposits on the anniversary date of the customer deposit.

Done at Frankfort, Kentucky, this 28th day of April, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director